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Security Council

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Security Council Committee established pursuant to resolution 1737 (2006)

Note verbale dated 29 May 2007 from the Permanent Mission of Italy to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of Italy to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1737 (2006), and has the pleasure to submit Italy's report on steps taken with a view to implementing effectively the provisions set forth in paragraphs 2, 4, 5, 6 and 7 of resolution 1747 (2007) (see annex).

07-37930 (E) 280607

Annex to the note verbale dated 29 May 2007 from the Permanent Mission of Italy to the United Nations addressed to the Chairman of the Committee

Report on the steps taken by Italy to implement Security Council resolution 1747 (2007)

Italy has the honour to provide the Security Council Committee established pursuant to resolution 1737 (2006) with information on the implementation of paragraphs 2, 4, 5, 6, and 7 of Security Council resolution 1747, adopted on 24 March 2007.

As a European Union (EU) member State, Italy recalls that the EU Council presidency wrote to the Security Council on 21 February 2007 to inform on steps taken by the EU to implement Security Council resolution 1737 (2006), adding that further information would follow after formal adoption by the EU of the relevant legal instruments.

The Security Council adopted resolution 1747 (2007) on 24 March 2007. Paragraph 8 calls upon all States to report on its implementation. This report highlights, in chronological order, the additional steps taken by the EU and Italy to implement Security Council resolutions 1737 (2006) and 1747 (2007).

EU Common Position 2007/140/CFSP on restrictive measures against Iran, approved by the EU Council on 12 February 2007, entered into force on 27 February 2007. EU Council Regulation 423/2007 implements this Common Position in fields of exclusive EC jurisdiction. It came into force on 20 April 2007.

Following Security Council resolution 1747 (2007), the EU Council adopted, on 23 April 2007, Common Position 2007/246/CFSP, amending Common Position 2007/140/CFSP.

This second Common Position imposes a full arms embargo on Iran; prohibits the procurement of arms and related material from Iran; updates the lists of persons and entities whose travel is restricted and whose assets are frozen; stipulates that EU member States shall not enter into new commitments for grants, financial assistance and concessional loans to the Iranian Government, directly or through international financial institutions, except for humanitarian and development reasons.

EU Commission Regulation 441/2007, which entered into force on 21 April, has amended EU Council Regulation 423/2007 by adding to the annex of EU Council Regulation 423/2007 persons and entities whose assets are to be frozen in accordance with Security Council resolution 1747 (2007).

A further EU Council Regulation is currently being drafted. Its text has been finalized at the working group level and will be adopted by the EU Council once it has been translated into all the EU official languages.

At a national level, Italy, in compliance with Security Council resolution 1747, in particular the freezing of Bank Sepah's funds, put Bank Sepah's Rome branch under "provisional administration" even before EU Regulation 423 of 19 April 2007 (subsequently amended by Regulation no. 441 of 20 April 2007) was approved. The Bank of Italy took this decision on 26 March 2007, pursuant to articles 76 and 77 of Law 385/1993. This allowed the two special administrators appointed by the Bank

of Italy to effectively run Bank Sepah's Rome branch, whose funds have been frozen.

Once the EU Regulations had been approved, Italy, like the UK and Germany had previously done, asked the Committee established by Security Council resolution 1737 to unfreeze funds belonging to Bank Sepah's Italian branch to pay running costs, legal expenses and fees to the administrators appointed by the Bank of Italy.

Italy has also notified the Committee, as per paragraph 15 of resolution 1737, about payments for contracts signed before Bank Sepah's listing.

Italy's Export Credit Agency SACE fully applies Security Council resolutions 1737 and 1747 and any related EU regulations, in line with its new insurance policy. In particular, SACE had implemented both resolutions even before EU interpretation and endorsement.

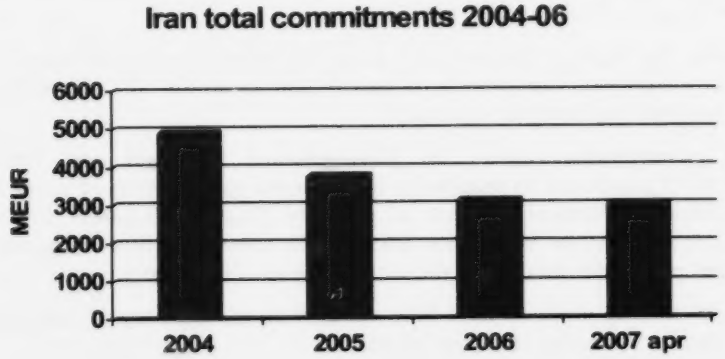
An internal working group was set up, which includes the underwriting, country risk and legal departments, to monitor developments of the Iranian nuclear issue.

In January 2007 SACE's Board approved a new country policy with a limited ceiling and excluding Bank Sepah from cover, long before the Security Council included the bank in its list.

United Nations sanctions have affected SACE's activity in two ways: as for new commitments, all persons and entities involved in the Iranian nuclear or ballistic missile programmes (listed in the annexes to both Security Council resolutions) have been barred from cover.

As for outstanding SACE commitments, special monitoring has been put in place to verify that underlying transactions do not involve entities listed in the annex.

SACE's exposure towards Iran constantly decreased in the past few years and was below €3 billion at the end of April 2007 (principal commitments, excluding interests).



Moreover, since the approval of Security Council resolution 1747, the Italian Government has not approved further grants, financial assistance or concessional loans to the Government of the Islamic Republic of Iran, neither directly nor through international financial institutions.

Finally, the Treasury Department of the Ministry for Economy and Finance and the Ministry of Foreign Affairs have lodged a draft bill that will enable Italy to comply even better with Security Council resolution 1747, without having to wait for subsequent EU Regulations to be approved. The Cabinet is expected to approve the new rules in the next few weeks.

The Ministry for Economic Development has confirmed that no cooperation whatsoever exists with Iran on chemical and nuclear goods and technologies. In particular, the Italian Agency for New Technology, Energy and Environment (ENEA) does not deal with weapons or related material, including ammunition, military vehicles and equipment. Therefore Italy has never acquired or supplied arms or related material from/to Iran, and it will continue with this policy in the future.

The Italian Agency for New Technology, Energy and Environment has no contacts with persons or entities directly or indirectly dealing with Iran on sensitive nuclear activities, proliferation or nuclear weapons delivery systems.

ENEA is fully committed to implementing Security Council resolution 1747 (2007) and the related EU Council Common Position 2007/140/PESC on restrictive measures against Iran.

As for Security Council resolution 1737 (2006) and the related EU Council Common Position 2007/140/PESC, although the Agency has several programmes on the peaceful use of nuclear energy, none involves Iran.

Therefore, ENEA has never directly or indirectly supplied, sold or transferred to Iran any material, equipment, goods and technology which could contribute to Iran's enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapons delivery systems.

ENEA has never had business with persons or entities listed in Security Council resolutions 1737 and 1747 and has never provided to Iran technical assistance, training and/or services related to items prohibited by the above-mentioned Security Council resolutions.

Finally, the Agency advises and gives technical support to other Italian agencies or government departments on how to implement the NPT, the Additional Protocol and Dual Use material regulations.

The governmental Agency for Environmental Protection and Technical Services (APAT) increased its monitoring of producers and exporters of goods listed in the Additional Protocol as soon as Security Council resolution 1737 was approved, in compliance with rules banning the export to Iran of goods and technologies potentially destined to the nuclear and missile industry.

Special liaising channels have been set up with the Ministry of International Trade to check and monitor "dual use" goods.

APAT, which works in close cooperation with AIEA on technical cooperation programmes, has also confirmed that, since the approval of Security Council

resolution 1737, no training programme of Iranian personnel has been scheduled and/or carried out.

As far as the Italian Ministry of International Trade is concerned, since the approval of resolutions 1737 and 1747, no authorization for dual-use exports has been given nor, for that mater, has been requested by Italian exporters, thus continuing the ongoing Italian policy which has resulted in no authorization granted in the last few years.

The Italian Ministry of Foreign Affairs, responsible for issuing compulsory authorizations to arms exporters, can attest that it has not authorized any transfer of weapons to or from Iran since the early 80s. Therefore, current United Nations and EU sanctions against Iran have only confirmed long-established Italian policy.

As for the Italian Customs Agency, strict monitoring procedures have been put in place to ensure that no banned or sensitive goods related to the Iranian nuclear programme are exported to Iran.

Finally, no person listed in the annex to Security Council resolution 1747 has entered, or transited through, Italian territory.

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Security Council Committee established pursuant to resolution 1737 (2006)

Note verbale dated 7 June 2007 from the Permanent Mission of the United Arab Emirates to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of the United Arab Emirates to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1737 (2006), and has the honour to enclose herewith a report on the latest measures taken by the Government of the United Arab Emirates for the implementation of Security Council resolution 1747 (2007) (see annex), which includes the list of banking accounts that have been frozen to that effect by the Central Bank of the UAE.

07-37954 (E) 210607 050707

Annex to the note verbale dated 7 June 2007 from the Permanent Mission of the United Arab Emirates to the United Nations addressed to the Chairman of the Committee

[Original: Arabic]

Reply of the Government of the United Arab Emirates regarding the implementation of Security Council resolution 1747 (2007) addressed to the Committee established pursuant to Security Council resolution 1737 (2006)

The Government of the United Arab Emirates would like to emphasize its commitment to the implementation of all provisions of Security Council resolution 1747 (2007), particularly paragraphs 2, 4, 5, 6 and 7 thereof. In that regard, the Government has circulated the resolution to all authorities concerned with its implementation as follows:

Paragraph 2

The Government of the United Arab Emirates, through the Ministry of the Interior, has advised all the relevant general directorates of the Ministry to exercise caution regarding the entry into or transit through the territory of the State of individuals who are engaged in, directly associated with or providing support for proliferation-sensitive nuclear activities or the development of nuclear-weapon delivery systems. There are no indications that the persons identified in the annex to resolution 1737 (2006) have entered into or transited through the territory of the United Arab Emirates.

The United Arab Emirates would like to emphasize that, pursuant to resolution 1737 (2006), it will inform the Committee of the entry of any other individuals that either the Council or the Committee further identifies, including individuals who are engaged in, directly associated with or providing support for proliferation-sensitive nuclear activities or the development of nuclear-weapon delivery systems.

Paragraph 4

The Government of the United Arab Emirates, through the Central Bank of the United Arab Emirates, has issued notice No. 1170/2007 of 1 April 2007 in which it ordered all banks, exchange bureaux, investment and financing companies and other financing institutions operating in the State to:

1. Freeze any accounts or deposits held in the names of the designated persons or entities and cease executing transfers on their behalf;

2. Refrain from entering into new commitments for grants, financial assistance, and concessional loans to the Government of the Islamic Republic of Iran, except for humanitarian and developmental purposes. (See annex on the result of the freeze order.)*

In that regard, the Government of the United Arab Emirates intends to lift the freeze imposed on commercial debit accounts held at six banks operating in the

* Annex is on file with the Secretariat and is available for consultation.

country (these are credit facilities, such as letters of credit and export invoice discounts, extended to Bank Sepah by banks operating in the country). The freeze will be lifted on the basis of paragraph 15 of resolution 1737 (2006) and pursuant to paragraph 4 of resolution 1747 (2007).

The Government would like to emphasize that the continued compliance of financial institutions with Security Council resolution 1747 (2007) has been added to its regular monitoring activities and that all new companies that have applied for licensing have been informed of their obligation to comply with that resolution.

The Government of the United Arab Emirates, through the Federal Customs Authority, has instructed all customs offices to honour the commitment that there should be no purchase or transfer directly or indirectly from the territory of the State, or by its subjects, whether citizens or residents, or through the use of its flag vessels or aircraft, of any arms or related materiel, whether or not originating in the territory of Iran.

Paragraph 6

The Government of the United Arab Emirates, through the Federal Customs Authority and the Ministry of Economy, has instructed all customs offices, economic agencies, the Federation of Chambers of Commerce and Industry and free zones to implement this paragraph and exercise caution in the supply, sale or transfer directly or indirectly of arms or materiel and to honour the commitment not to provide to Iran any technical assistance or training, financial assistance, investment, brokering or other services, and not to transfer financial resources or services related to the supply, sale, transfer, manufacture or use of such items.

Paragraph 7

The Government of the United Arab Emirates, through the Central Bank and the Ministry of Economy, has undertaken to implement this paragraph and has instructed all relevant authorities not to enter into new commitments for grants, financial assistance, and loans.